BUSINESS AND COMMERCE CODE

TITLE 12. RIGHTS AND DUTIES OF CONSUMERS AND MERCHANTS

CHAPTER 604. SALE OR ISSUANCE OF STORED VALUE CARD

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 604.001. DEFINITION OF STORED VALUE CARD. In this chapter, "stored value card":

(1) means a record, as defined by Section 322.002, including a record that contains a microprocessor chip, magnetic strip, or other means of storing information:

(A) that evidences a promise made for monetary consideration by the seller or issuer of the record that goods or services will be provided to the owner of the record in the value shown in the record;

(B) that is prefunded; and

(C) the value of which is reduced on redemption; and

(2) includes a gift card or gift certificate.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 604.002. INAPPLICABILITY OF CHAPTER. This chapter does not apply to a stored value card that:

(1) is issued by:

(A) a financial institution acting as a financial agent of the United States or this state;

(B) a federally insured financial institution, as defined by Section 201.101, Finance Code, if the financial institution is primarily liable for the card as the issuing principal; or

(C) an air carrier holding a certificate of public convenience and necessity under Title 49, United States Code;

(2) is issued as a prepaid calling card by a prepaid calling card company regulated under Section 55.253, Utilities Code;

(3) is distributed by the issuer to a person under an awards, rewards, loyalty, incentive, rebate, or promotional program and is not issued or reloaded in exchange for money tendered by the cardholder;

(4) is sold below face value or donated to:

(A) an employee of the seller or issuer;

(B) a nonprofit or charitable organization; or

(C) an educational institution for fund-raising purposes; or

(5) does not expire and for which the seller does not charge a fee other than a fee described in Section 604.051.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 604.003. CAUSE OF ACTION NOT CREATED. This chapter does not create a cause of action against a person who issues or sells a stored value card.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

SUBCHAPTER B. PERMISSIBLE FEES

Sec. 604.051. FEES AND CHARGES RELATED TO ISSUANCE AND HANDLING OF CARD. If disclosed as required by Subchapter C, the issuer of a stored value card may impose and collect a reasonable:

(1) handling fee in connection with the issuance of or adding of value to the card;

(2) access fee for a card transaction conducted at an unmanned teller machine, as defined by Section 59.301, Finance Code; and

(3) reissue or replacement charge if an expired or lost card is reissued or replaced.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 604.052. FEES OR CHARGES THAT DECREASE UNREDEEMED BALANCE OF CARD. The issuer of a stored value card may impose or

collect a periodic fee or other charge that causes the unredeemed balance of the card to decrease over time only if the fee:

(1) is reasonable;

(2) is not assessed until after the first anniversary of the date the card is sold or issued; and

(3) is disclosed as required by Subchapter C.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

SUBCHAPTER C. REQUIRED DISCLOSURES

Sec. 604.101. REQUIRED DISCLOSURE OF CERTAIN MATTERS APPLICABLE TO CARD. An expiration date or policy, fee, or other material restriction or contract term applicable to a stored value card must be clearly and conspicuously disclosed at the time the card is sold or issued to a person to enable the person to make an informed decision before purchasing the card.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 604.102. REQUIRED PRINTING OF CERTAIN DISCLOSURES. In addition to the disclosure required under Section 604.101, a disclosure regarding the expiration of a stored value card or a periodic fee that reduces the unredeemed value of a stored value card must be legibly printed on the card.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 604.103. VALIDITY OF CARD SOLD WITHOUT REQUIRED DISCLOSURES. A stored value card sold without the disclosure required by this subchapter of an expiration date or policy, fee, or other material restriction or contract term applicable to the card is valid until redeemed or replaced.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

SUBCHAPTER D. REDEMPTION OF CERTAIN LOW-VALUE CARDS

Sec. 604.151. APPLICABILITY OF SUBCHAPTER. (a) This subchapter does not apply to a stored value card:

(1) described by Sections 604.002(1)-(3);

(2) issued as a refund for merchandise returned without a receipt; or

(3) that has an initial value of $5 or less and to which additional value cannot be added.

(b) Except as otherwise provided by Subsection (a), Section 604.002 does not apply to this subchapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 655 (H.B. 2391), Sec. 1, eff. September 1, 2015.

Sec. 604.152. CASH REFUND FOR LOW-VALUE CARD. If a stored value card is redeemed in person to make a purchase and a balance of less than $2.50 remains following the redemption, at the consumer's request the seller shall refund the balance of the card in cash to the consumer.

Added by Acts 2015, 84th Leg., R.S., Ch. 655 (H.B. 2391), Sec. 1, eff. September 1, 2015.